



# Hamilton County

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## COUNTY ADMINISTRATOR

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To: Board of County Commissioners  
Christian Sigman, County Administrator

From: John P. Bruggen, Budget Director

Subject: Unfunded Mandates

Date: October 8, 2012

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The following report identifies unfunded State of Ohio mandates throughout the Hamilton County budget. The county budget office in cooperation with department fiscal officers have quantified those functions and services that county offices are required to provide by the State of Ohio, but for which the state does not provide or permit an off-setting revenue stream.

As the state does provide county government with a number of permissive revenues, from sales and use taxes and property taxes, to local government funding and court fines and fees, the budget office operated under the assumption that many core local government services, while mandated, would not necessarily qualify as unfunded. We made the assumption that there must be some collateral circumstance that suggests that a mandated service is unfunded. These circumstances include the following:

- The mandated service is not typically a local responsibility in other states. (e.g., Public Defender)
- The mandated service was added to core services at some point without any additional funding stream. (e.g., sex offender reporting program)
- The mandated service represents an outdated or ineffective business model. (e.g., public notice requirements)
- The mandated service is or has been funded by the state in the past but the funding model has not kept pace with the service costs. (e.g., Probate Court fees)

Following are unfunded state mandates according to functional areas of county operations. Each includes an estimate of annual cost.

## GENERAL GOVERNMENT

### **Boards of Elections**

Board of Elections procedures are subject to both federal elections law and Ohio Secretary of State directives, both of which often require substantial local investment without offsetting revenue. Further, boards of elections have the authority to overrule County Commissioner budget levels. Together, these parameters create a situation in which counties bear the burden of funding a program over which they have little control. Hamilton County supports the County Commissioner Association of Ohio's (CCAO) policy positions that call for full state funding of the board of elections, or alternately, full funding for federal and state elections reforms.

**Cost:** \$9.0 million (annual average over four-year election cycle)

### **Public Notice Requirements**

Certain provisions of the state's 2011-13 biennium budget bill (HB 153) implemented reforms in the area of public notice. Some of these changes included establishing the state public notice website (submittals are free for political subdivisions), changing the qualifications of "newspapers of general circulation," and requiring newspapers to offer political subdivisions a government rate. Further legislation might also authorize internet advertising of tax rates, sheriff sales, and similar required tax-related advertising in lieu of newspaper advertising.

**2012 Cost:** Unknown

### **Public Records Requests**

Several county offices have struggled to meet the terms of frequent public records requests especially in recent years, given reductions in workforce. The county supports a review of state public records law that might lead to further restrictions on excessive requests or might allow for reimbursement of staff time in certain cases. Also as digital media make more public records readily available for requests, redaction of historical records has become burdensome to some offices. State funding for redaction of historical records would be a useful, non-recurring expense that would make county records more available for public inquiry. Finally, in a digital media era, making public records available to citizens electronically is a good business practice, but it does not come without cost, and it sometimes includes lost revenue from paper copies of records. Certain levels of access to digital public records should be reviewed for subscription service charges to help public offices recoup the cost of maintaining the records.

**2012 Cost:** Unknown

### **Health Department and Law Library Office Space**

Counties are not responsible for the operating costs of the Law Library or the Health Department but are required to provide office space for both entities (ORC 305.18 and 3709.34).

**2012 Cost:** \$430,000

### **Enforcing Tax Liens**

House Bill 138, effective in September 2008, required several changes in the way foreclosure sale orders are processed. The Treasurer's office must now pro-rate taxes to the date of confirmation for plaintiff's counsel to file with the distribution entry and the confirmation entry. When the taxes are distributed by the sheriff's office from the sale proceeds, we now not only have to pay the current taxes due but set up an escrow account for each case to be able to pay the pro-rated taxes when they become due. There were 3,500 requests for 2011. 3,900 requests are projected for 2012. It takes approximately 13 to 15 staff hours per week to perform these tasks.

**2012 Cost:** \$16,500

### **Ohio Healthcare Reform (Extension of Dependent Age to 28)**

Beginning in 2011 Hamilton County had to make health insurance available to dependents beyond the federal age 26 limit and extend coverage to dependents to age 28. This required additional actuarial work, changes to printed material, development of additional forms and employee communications and changes to human resources information systems.

**2012 Cost:** Initial expenses were in 2011; annual health claims for dependents are unknown.

### **Self Insurance Fund Oversight**

The 2011-13 state budget bill (HB 153) stipulates that a county that self-insures for employee medical coverage must now engage the services of both an accountant and an actuary to ensure the soundness of the county's plan. In addition the county must reserve funds for medical coverage in an amount determined by the actuary.

**2012 Cost:** \$5,000

### **Homeland Security Terrorist Declaration Data**

Since 2007 the county purchasing department has to contact every vendor with sales over \$100,000 to complete a terrorist declaration data sheet. The forms usually require multiple exchanges with the vendors to explain the purpose of the form and have it completed and entered into a database.

Purchasing processes 50-60 terrorist declarations annually. No one has ever asked to review the forms and no vendor has ever declared terrorist activities on a Hamilton County form.

**2012 Cost:** Minimal

## JUDICIAL

### **Adult Probation**

In accordance with the passage of House Bill 86, Probation Officers are required to complete 20 hours of continuing education training annually. This is effective January 1, 2013 and the curriculum is still unknown at this time.

**2012 Cost:** n/a; 2013 costs are unknown

### **Public Defender System**

Counties continue to be unduly burdened with financing the state's constitutional obligation to provide indigent defense. The state should assume full responsibility for its obligations.

**2012 Cost:** \$14.4 million, offset in part by the state's 35% reimbursement of \$5.0 million.

### **Probate Court Operations**

All Probate Court functions are mandated. The primary funding mechanism of the court is statutorily set fees, the majority of which have not increased in 30 years. Since the current fee structure does not cover the actual operating costs of the court it would be accurate to say that the court's mandated functions are partially or inadequately funded. The Joint Committee to Study Court Costs and Filing Fees was created by the Ohio General Assembly in Substitute House Bill 336 of the 126th General Assembly and recommended increasing the fee structure, but several different pieces of legislation have failed to pass. The cost below represents the additional revenue the Probate Court would have expected to collect in 2012 had fees increased at inflationary rates since 1980.

**2012 Cost:** \$1.2 million

### **Probate Civil Commitments**

The Probate Court receives partial reimbursement from the State Department of Mental Health relating to civil commitment proceedings but the reimbursement has been decreasing due to recent state budget reductions. Should the reimbursement make up the difference between the amount anticipated in 2012 and the items currently reimbursed, it would generate an additional \$260,000. Should the state reimburse the entire cost of staff, security and docketing associated with the program, the reimbursement would be \$750,000.

**2012 Cost:** \$750,000

## PUBLIC SAFETY

### **911 Call Center**

The state mandates that counties provide emergency communications call taking and dispatching for the Sheriff's office. Hamilton County has responded to this mandate as many counties have, by establishing a 911 system and call center. The center consolidates 911 services for many jurisdictions within the county. It relies on revenue from a local detail rate and a state charge on wireless phones (to sunset at the end of 2012), but still requires a subsidy from the county general fund. As the county has raised detail rates to participating jurisdictions, call volume has decreased, suggesting that jurisdictions are changing practices to decrease usage (and costs). As call volume decreases, counties must further increase detail rates to compensate for lost volume, leading to a cycle of increased rates and decreasing usage. Consistent with the state policy on shared local government services, the state should consider a solution that provides revenue adequate to fund shared 911 call centers without billing individual jurisdictions.

**2012 Cost:** \$900,000 (general fund subsidy); \$7.7 million (operating costs) + \$1.9 million (debt service on capital projects)

### **Sentencing Reform**

HB 86, effective in September 2011, made changes to Ohio's felony sentencing laws that reduce the number of offenders in prison for violation of low to moderate level offenses. These offenders are to be directed towards a significantly increased offering of evidence-based community control sanctions. The result is to decrease the demand for prison beds as well as public funds allocated to operate the state prisons. There is a level of anticipation that the new law may increase pressures on county programs and probation officers.

**2012 Cost:** TBD; No quantitative data at this point.

**Concealed Carry Program**

This licensing program involves three Sheriff's department positions and related supplies.

**2012 Costs:** Up to \$205,000

**Dog Warden Subsidy**

State mandated Dog Warden responsibilities cannot be fully sustained through the sale of dog licenses, necessitating an annual general fund subsidy. The dog warden statute deals substantially with the protection of livestock from destruction by dogs. Given the increasingly urban nature of Hamilton County it is open to question as to whether this program has outlived its usefulness.

**2012 Cost:** \$200,000

**Sex Offender Program**

Various recent laws impose restrictions on sex offenders and require public notice. Enforcement and implementation of these requirements involves three Sheriff's department positions.

**2012 Costs:** \$182,000

**DNA Testing**

Legislation requires that inmates' mouths be swabbed and that the collected DNA samples be forwarded to the state for checking against the state's DNA database. Implementation requires two Sheriff's department positions and related supplies.

**2012 Costs:** \$102,000

**Youth Center Mitigation of Collateral Consequences**

Legislation effective September 17, 2012 compels Juvenile Court to detain certain individuals beyond the age of 18 in the Youth Center. Youth whose cases have been transferred to, and are pending in, the adult system for trial, and youth who are arrested on a charge originating in Juvenile Court but are between 18 and 21, must now be held in the Youth Center instead of the Justice Center. Further, these youth must be held in segregated space at the Youth Center.

**Costs:** Up to \$700,000 annually once fully implemented.

**SOCIAL SERVICES****Mandated Share – Job and Family Services (JFS)**

This is a matching requirement, calculated by the state, for Hamilton County's non-TANF programs. (TANF is Temporary Assistance to Needy Families.) The match must be paid from the general fund as it does not qualify for use of JFS' other source of local funding, the Children's Services levy. This unfunded mandate is consistent with the CCAO's legislative program statement that local funding needs to be focused on local programs. This state mandate requires local support for a federal program. In addition to the general fund support, the Children's Services levy contributes the TANF portion of the mandated share.

**2012 Cost:** \$838,260 (general fund); \$3.5 million (children's services)

### **General Under Honorable Discharge**

The Veterans' Service Commission (VSC) reports that it is mandated to provide financial relief for all veterans who have served honorably on active duty for purposes other than training (honorable discharge or a general under honorable conditions). The commission notes that the general discharge is often related to unsatisfactory or abbreviated military service and questions whether VSCs should be providing benefits to these individuals. The commission recommends that Ohio revise its service requirements to include strictly honorable discharges, or alternately, general under honorable discharges that include a campaign ribbon.

**2012 Cost:** Unknown. Total budgeted relief payments to veterans: \$884,165

## HEALTH

### **Bureau for Children with Medical Handicaps**

The Bureau for Children with Medical Handicaps (BCMH) is a health care program in the Ohio Department of Health (ODH) that links families of children with special health care needs to a network of quality providers and helps families obtain payment for the services their children need. State law stipulates that the county must reimburse the state for services rendered within Hamilton County, up to a specified threshold. The Hamilton County reimbursement is paid from the Children's Services levy.

**2012 Cost:** up to \$2,015,874

### **Tuberculosis Control**

State law stipulates that the county be the payer of last resort for tuberculosis (TB) detention and treatment. Some state support from the Department of Health offset these costs until 2005. Responsibility for TB control does not logically flow from any other state-mandated duties of counties. CCAO holds that it should be fully funded or placed elsewhere. Hamilton County's program is paid from the indigent care levy.

**2012 Cost:** up to \$933,250

## PUBLIC WORKS

### **Soil and Water Conservation District Support**

The Hamilton County Soil and Water Conservation District performs mandated federal water pollution control in the county. The state's support of the district's services through a match of county contributions speaks to both the importance of adhering to the federal pollution requirements and the insufficiency of the local funding options to support the service.

**2012 Cost:** \$233,000

### **Engineer Office Space**

ORC 315.11 stipulates that the county shall provide the offices, office furnishings and equipment for the County Engineer and that the expense shall be paid by the general fund.

**2012 Cost:** \$72,000